

Daniel R. O'Donnell
County Administrator

County of Roanoke



Memo

To: Roanoke County Board of Supervisors

From: Daniel R. O'Donnell, County Administrator *DRO*

Date: February 24, 2020

Subject: Fiscal Year 2021 Budget Memo #3: Property Tax Collection Rates

In response to a question from Supervisor Mahoney, the following budget memo provides information regarding the County of Roanoke's Collection Rates for Property Taxes and the amount of delinquent taxes collected to date from the new Collections Specialist position added in fiscal year 2019-2020.

Specifically, information is provided on the collection rates for Real Estate and Personal Property Taxes. Information was provided by the County of Roanoke Treasurer and Department of Finance & Management Services. The County of Roanoke Comprehensive Annual Financial Report (CAFR) for FY 2019 includes data on the total property tax collections and the collection rate on page 193. The table below shows the total property tax levy, collections, and the collection rate for FY 2018 and FY 2019.

	Tax Levy	Collection Amount	Collections Rate
FY 2018 Property Tax	\$126,405,991	\$123,195,790	97.46%
Real Estate	\$92,163,972	\$89,352,138	96.95%
Personal Property	\$34,242,019	\$33,843,652	98.84%
FY 2019 Property Tax	\$131,070,799	\$126,869,715	96.79%
Real Estate	\$94,494,052	\$91,525,763	96.86%
Personal Property	\$36,576,747	\$35,343,952	96.63%

Additionally, the Board of Supervisors requested an update on the progress of collections carried out by the Collections Specialist position added in fiscal year 2019-2020. Roanoke

County may collect the current year plus an additional five years of delinquent property taxes with penalties and interest. The amount of delinquent taxes with penalties and interest from this period (FY 2015 through FY 2019) is currently \$3,255,177.46. The addition of this position in the fiscal year 2019-2020 budget assumed that the position costs would be 100% offset and that collections from this employee would yield \$125,000 in revenue, which was included in the property tax revenue budget.

The Collections Specialist position was advertised on July 1, 2019. The Treasurer hired the employee for the position of Collections Specialist on September 3, 2019 with a total salary and benefit cost of \$47,206. The Collections Specialist completed required training through October 31, 2019 and began active collections on November 1, 2019. From November 1, 2019 through February 17, 2020 (approximately three and a half months), the Collections Specialist had collected a total of \$94,828.49 or 75.9% of the additional \$125,000 in budgeted revenue.

Prior to approval of this position, the Treasurer assigned a staff member to part-time collections of personal property delinquent collections while also performing her regular duties. During the twelve month period of Calendar Year 2018, she collected \$128,011.88. In 2019, she only collected \$26,257.56 in delinquent personal property because she was assigned to other duties in the department. These part-time collection rates were used to develop the increase to personal property tax collections for fiscal year 2019-2020.

If you have any additional questions, please contact Laurie Gearheart, Director of Finance & Management Services at 540-283-8126 or llgearheart@roanokecountyva.gov.

cc: Rebecca Owens, Assistant County Administrator
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